



California Public Employees Retirement System (CalPERS)

Alternative Investment Management (AIM) Program

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PRESENTATION

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Overview of CalPERS

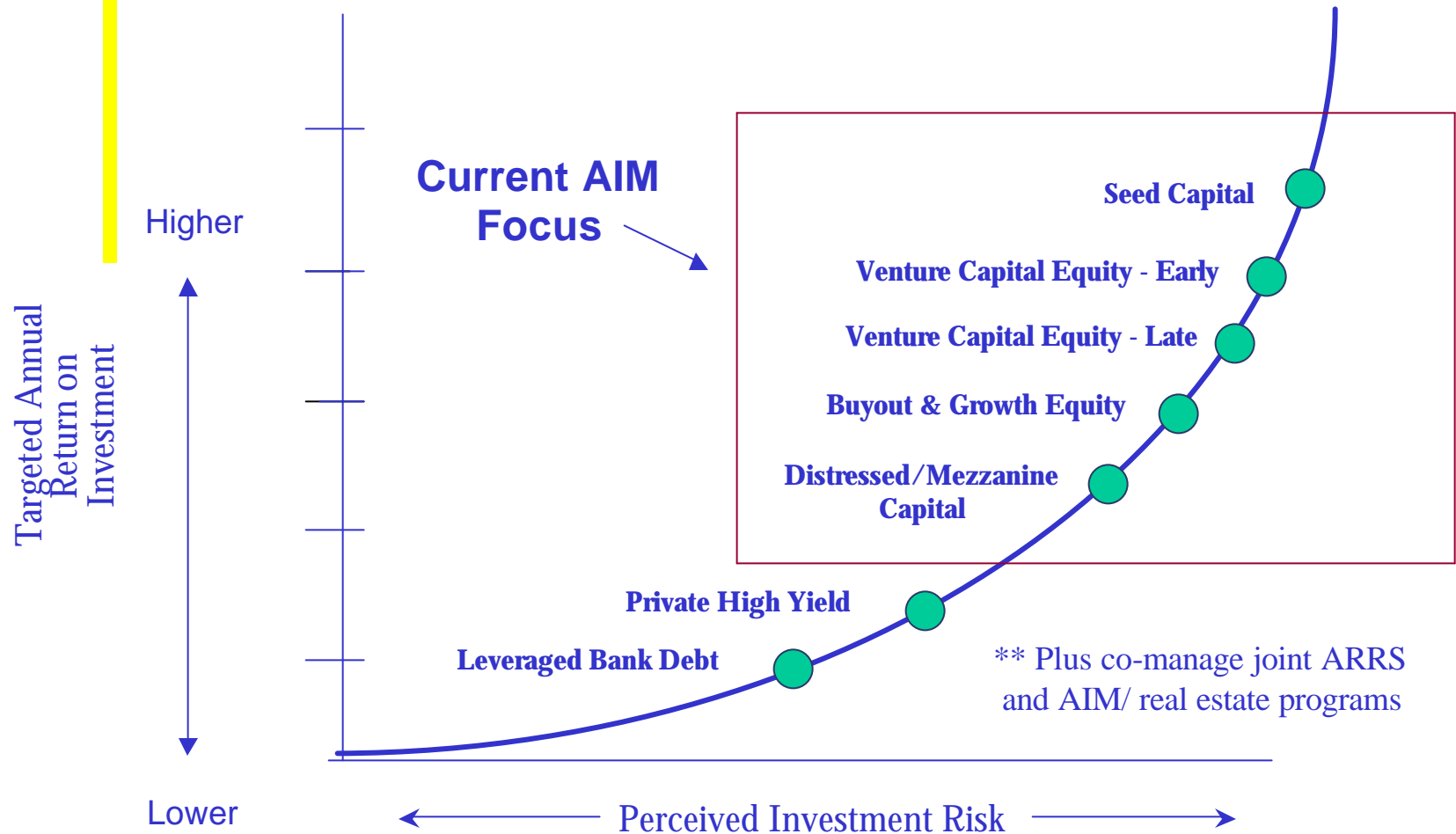
- Largest public pension fund in the US
- \$165 billion in Assets
- 1.3 million beneficiaries
- Four Major Asset Classes (Asset Allocation)
 - Global Equity (58%)
 - Global Fixed Income (26%)
 - Real Estate (9%)
 - Alternative Investments (7%)
- 130-member internal investment organization plus thousands of outside managers and advisors



Overview of AIM Program

- AIM Program made its first investment in 1990
- Investments into private companies
- Well diversified portfolio with over 360 active investments, \$20B in active commitments
- \$8B to be invested in the next 3-5 years
- Globally diversified (20% international, \$1.5B committed to managers in Asia)
- The age of the portfolio is young but has generated strong performance:
 - **Over \$5 Billion of realized cash profits**
 - **Return on Fully Realized Investments: 19.2%**

AIM Program Investment Focus



AIM Investment Structures

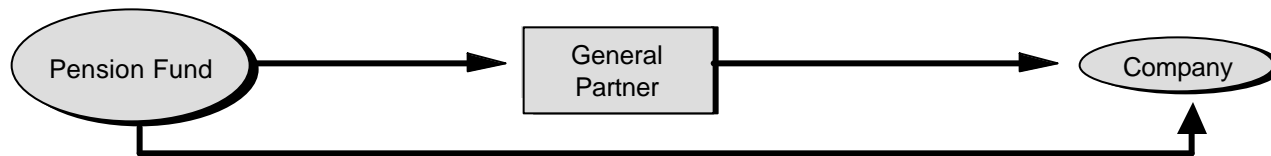
Direct Investment



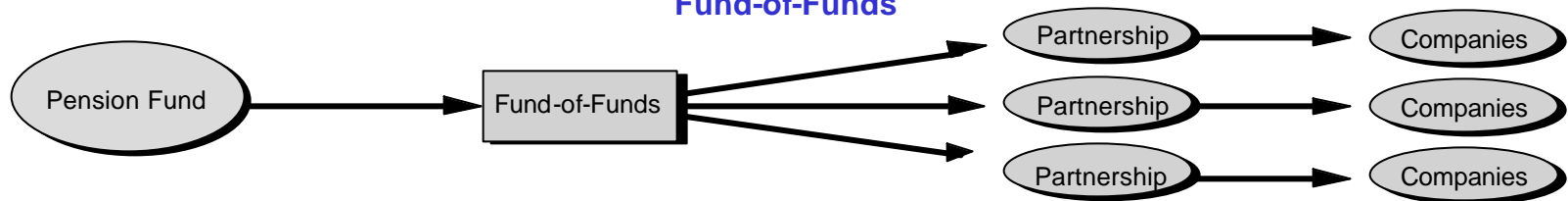
Partnership



Co-Investment



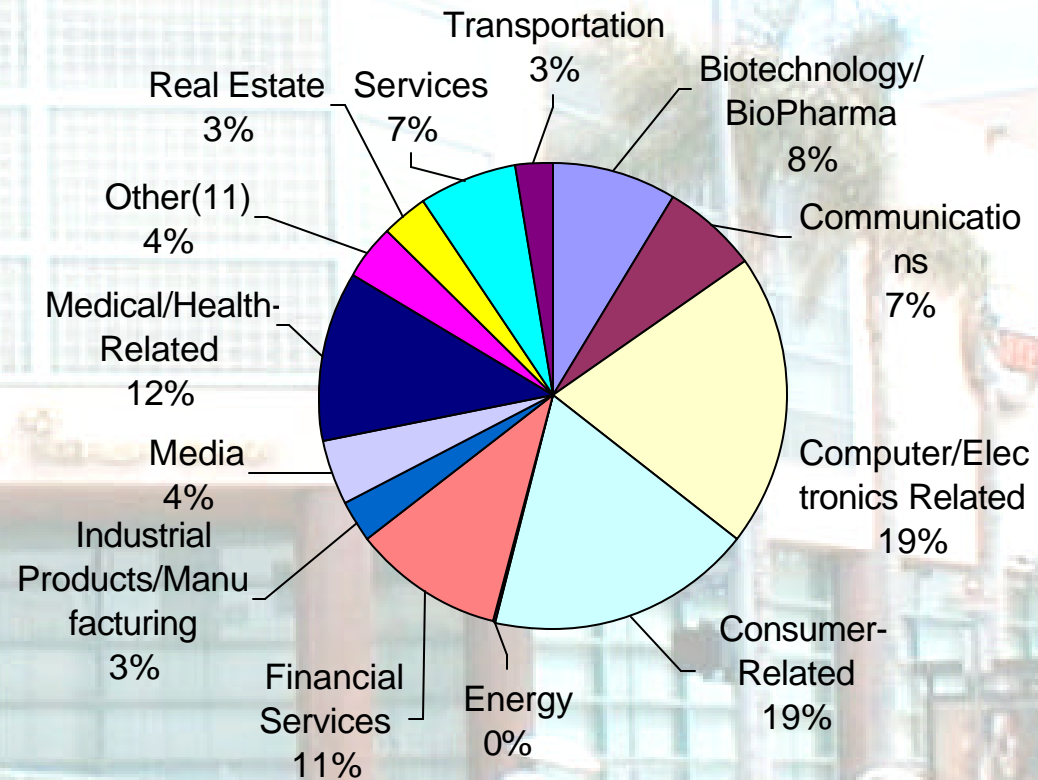
Fund-of-Funds



California Investments

- \$1.6 Billion committed to funds targeting California investment opportunities
- \$7.8 Billion committed to funds headquartered in California
- 19% of CalPERS' Reported Value is from California-based companies

Industries as % of Reported Value

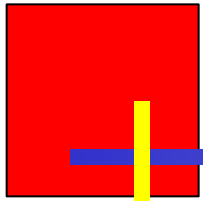




CALIFORNIA INITIATIVE PROGRAM

- \$475 million committed to 10 firms
- Venture, Growth and Buyout strategies
- Fund of Funds

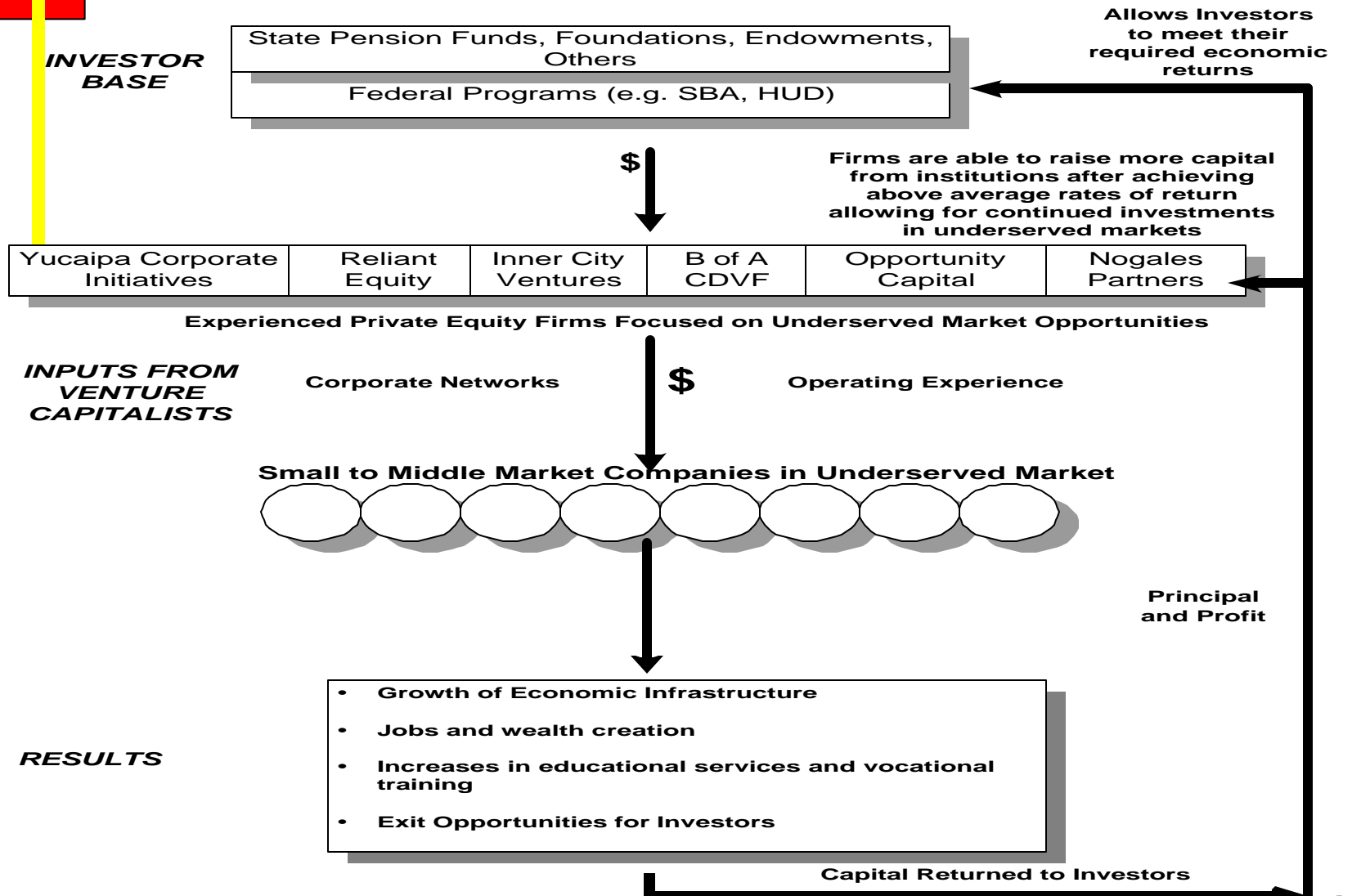
The California Initiative will invest in traditionally underserved markets primarily, but not exclusively, located in California. The objective is to discover and invest in opportunities that may have been bypassed or not reviewed by other sources of investment capital. These opportunities should offer attractive risk-adjusted returns commensurate with their asset class.

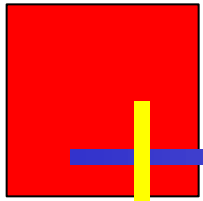


Underserved Market Criteria

- Is the company located in a region with limited access to investment capital?
- Is there diversification of company ownership and management (either women or ethnic minority)?
- Does the company employs workers from Low-and-Moderate Income (“LMI”) area?

Flow of Investment Capital





California Initiative Highlights

- Approximately \$250 million of equity capital has been invested in 45 businesses
- 100% of the companies within the California Initiative portfolio meet one or more of the “Underserved Market Criteria”
- Portfolio companies are located in areas throughout California including:
 - Urban markets such as San Diego, Los Angeles, and San Francisco
 - Rural markets such as the Inland Empire, the Central Valley, and the North Coast
- Bank of America committed \$5 million to Fulcrum Capital located in Southern California



Summary

- CalPERS remains dedicated to investing in California
- The California Initiative has provided meaningful investment capital to California's underserved markets
- The fund managers continue to execute on their strategies and source deals through their network of entrepreneurs, corporations, intermediaries, the media, community groups, and other financial institutions
- CalPERS is happy to introduce entrepreneurs to our partners, as well as other potential sources of capital



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